

Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, charitable, or a governmental body receive an exemption identification number (an "E" number). See 86 Ill. Adm. Code 130.2007. (This is a GIL).

November 9, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated October 5, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Our coaches and athletic teams will from time to time travel to the State of Illinois, either for athletic recruiting or competition purposes. These trips will require meals, lodging and gas to be purchased within Illinois. Does the Illinois sales and use tax law provide any exemption from sales tax for out-of-state universities in these circumstances? If so, please let me know what steps must be taken to gain the exemption.

Organizations that make application to the Department of Revenue and are determined to be exclusively religious, educational, charitable, or a governmental body receive an exemption identification number (an "E" number). See the enclosed copy of 86 Ill. Adm. Code 130.2007. This number evidences that the Department recognizes the organizations as exempt from incurring Use Tax when purchasing tangible personal property in furtherance of their organizational purposes. If an organization does not have an E number, then its purchases are subject to tax. Please be aware that only sales to organizations holding the E number are exempt, not sales to individual members of the organization.

The Hotel Operators' Occupation Tax Act imposes a tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel in Illinois. The Hotel Operators' Occupation Tax Act does not include any provision for the exemption of exclusively religious, charitable, or educational organizations, or for governments or their agencies. See 86 Ill. Adm. Code 480.101(b)(3) and (4), enclosed.

There are two factors we like to stress in regard to this situation. First, the tax is not imposed upon the organization renting the room from the hotel operator. It is imposed, rather, upon the hotel operator. An exemption is useless in this context because there is no tax that is being imposed upon the

organization and thus no tax from which a governmental agency or an exclusively charitable, religious or educational organization could be exempted. Secondly, the Hotel Operators' Occupation Tax Act does not contain any provision that relieves governmental agencies or exclusively charitable, religious or educational organizations from paying reimbursement charges which hotel operators are authorized to charge and pass on to customers to reimburse themselves for their tax liability.

The only exemptions available to hotel operators are for rentals to permanent residents and to certain diplomatic personnel. Permanent residents are persons who occupy or have the right to occupy such rooms for at least thirty consecutive days. See Section 480.101(a)(1).

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.